

Contents of Forms

1	Some Premises, Limitations, and Legal Principles	1
Form 1.01	Definition of Licensed Information	5
Form 1.03A	Assignment of Future Inventions	14
Form 1.03B	Assignment of Patent and Right to Sue for Past Infringement	15
Form 1.03C	Joint Ownership of Patents	16
Form 1.03D	Joint Ownership of Patents—Sharing	17
2	Express Agreements: Nonexclusive Licenses, Nonassertion Agreements, and Exclusive Licenses	19
Form 2.01	Nonexclusive License Grant	21
Form 2.02A	Covenant Not to Sue	23
Form 2.02B	Nonassertion Clause in License Agreement	24
Form 2.02C	Limit on Scope of Nonassertion Agreement	24
Form 2.02D	Assignment of Covenant Not to Sue	25
Form 2.02E	Extend Nonassertion to Customers	27
Form 2.03A	Representation of No Prior Licenses	28
Form 2.03B	Sublicense Rights in an Exclusive License	30
Form 2.03C	Minimum Annual Royalty Provision	32
Form 2.03D	Conversion to Nonexclusive	33
Form 2.03E	Disclaimer of Obligation to Exploit	34
Form 2.03F	Examples of Allocation of Rights to Sue for Infringement in an Exclusive License	40
	Form 2.03F1	40
	Form 2.03F2	41
	Form 2.03F3	41
	Form 2.03F4	41
Form 2.03G	Assignment of Exclusive Licensed Patent	43

3	Specific Types of Licenses	45
	Form 3.03A Right to Grant Sublicenses	51
	Form 3.03B Post-Termination Sublicense Rights	52
	Form 3.03C Post-Termination Sublicense Rights	52
	Form 3.03D Early Termination of Sublicenses	53
	Form 3.03E No Bundling of Sublicensed Rights	53
4	Implied Licenses and Patent Exhaustion	59
	Form 4.04A Disclaimer of Implied License Based on Existing License Agreement	67
	Form 4.04B Definition of Licensed Product	68
	Form 4.05 Limited License Pursuant to Sale	70
	Form 4.06 Grant Clause for Component of Patented Product	74
	Form 4.07 Grant Clause for Component of Patented Product	78
	Form 4.08 Provision Imposing Contractual Restriction on Licensee's Customers	82
	Form 4.09 Notice Obligation Imposed on Territorially Restricted Licensee	84
5	Issues in License Agreement Negotiation	87
	Form 5.03 Negotiation Agreement	91
6	Commentary on Principal Causes of Uncertainty in Contract Language	95
7	The Opening Part of the Agreement	105
	Form 7.00 Agreement Opening	105
	Form 7.02A Agreement Opening	107
	Form 7.02B Corporate Component Definition	108
	Form 7.02C License Restricted to Company Component	108
	Form 7.03 Agreement Recitals	109
	Form 7.04 "Modern" Agreement Opening	110
	Form 7.05 Agreement Format	111
8	Definitions	113
	Form 8.00 Structure of Article Setting Forth Definitions	114
	Form 8.01 Examples of Stipulative Definitions	118
	Form 8.03A Licensed Patents Definition 1	120
	Form 8.03B Licensed Patents Definition 2	121
	Form 8.03C Controlled Patents Definition	121

Form 8.03D	Patents Definition	122
Form 8.03E	Licensed Patents Definition 3	122
Form 8.03F	Licensed Product Definition	123
Form 8.03G	Valid Claim Definition	124
9	The Granting Clause; Elements of the Grant; Definition of Licensed Subject Matter	127
Form 9.01A	Definitions of “Subsidiary” (Alternate), “Controlled Company,” and “Affiliate” (Alternate).....	129
Form 9.01B	Subsidiaries Receive License Only Upon Notification to Licensor	131
Form 9.01C	Definition of LICENSED PATENTS (to Include Inventions Made Within Five Years of Execution)	132
Form 9.01D	Definition of LICENSED PATENTS (including all international patents)	132
Form 9.01E	LICENSED PATENTS (in terms of products claimed)	133
Form 9.01F	Patent Expiration Provision	134
Form 9.01G	Limitation of the Have-Made Grant	137
Form 9.01H	Definition of “LICENSED APPARATUS Otherwise Disposed Of”	137
Form 9.01I	Disclaimer of Contractual Restraint on Export	139
Form 9.01J	Disclaimer of Contractual Restraint on Export, Reservation of Foreign Patent Rights	140
Form 9.01K	Required Notice on Resale Under Foreign Patents	140
Form 9.02A	Definition of Licensed Products (Broad)	141
Form 9.02B	Detailed Definition of Licensed Products	141
Form 9.02C	Definition of Licensed Products (Narrowed)	143
10	Reservations and Improvements	145
Form 10.00A	Examples of a Reservation of Rights in Grantor	146
Form 10.00A1	146
Form 10.00A2	146
Form 10.00A3	146
Form 10.00B	Reservation (Prior Licenses) 1	147
Form 10.00C	Reservation (Prior Licenses) 2	147
Form 10.00D	Reservation (Future Licenses)	148

Form 10.00E	Reservation (Prior Licenses) 3	149
Form 10.01A	Improvement Definition	150
Form 10.01B	Improvement Definition (Process)	151
Form 10.01C	Improvement Exclusion	151
Form 10.01D	Improvements Definition (Broad)	151
Form 10.01E	Improvement Grant Clause	151
Form 10.01F	Grantback License	152
11	Royalties, Reports, and Payments	153
Form 11.01A	Value-Added Royalty Base	165
Form 11.01B	“Net Selling Price” Defined	166
Form 11.01C	“Net Sales Price” Defined (Alternate)	167
Form 11.01D	Intracorporate Sales Transactions	167
Form 11.01E	Royalties for Transactions Not Arm’s Length	168
Form 11.01F	Complex Net Sales Definition	169
Form 11.01G	Royalties on Other Dispositions of Licensed Products	171
Form 11.01H	Royalties on “Otherwise Disposed Of” Products	172
Form 11.01I	Royalty on Components Not Sold Separately	172
Form 11.01J	Royalty Stacking Provision	173
Form 11.02A	Royalty Obligation—Sold or Otherwise Disposed Of	174
Form 11.02B	Royalty Obligation—Different Countries of Manufacture and Sale	174
Form 11.02C	Royalty Obligation—Process of Manufacture	174
Form 11.02D	Royalty Obligation—Product of Licensed Process Made and Sold	175
Form 11.03A	Reporting Provision	176
Form 11.03B	Post-Termination Report	176
Form 11.03C	Royalty Obligation and Termination	176
Form 11.03D	Definition of Products for Royalty Accrual	176
Form 11.03E	Late Payments	177
Form 11.04A	Minimum Royalty Provision	179
Form 11.04B	Minimum Royalty Provision (Alternate)	179
Form 11.05A	Records and Audits	179
Form 11.05B	Records and Audits With Time Limit	180
Form 11.05C	Audit of Competitor’s Records	180
Form 11.05D	Audit of Competitor’s Records (Alternate)	181
Form 11.06A	Inflation Adjustment Clause	182
Form 11.06B	Alternate Inflation Adjustment Provision	182
Form 11.07	Licensee Nomenclature Provision	183

12 United States Tax Issues Relating to Transfers of Patents and Know-How	185
13 Protection for a Nonexclusive Licensee	195
Form 13.00A Most Favored Licensee Provision	199
Form 13.00B Most Favored Licensee Provision (Alternate)	199
Form 13.00C Most Favored Licensee Provision (Alternate)	202
Form 13.01A Third-Party Infringement Provision	205
Form 13.01B Third-Party Infringement Provision (Alternate Remedy)	206
14 Transferability of Rights and Obligations Pertaining to Licenses	207
Form 14.00A Assignor Representation 1	208
Form 14.00B Assignor Representation 2	209
Form 14.00C Licensor Assignment Provision	210
Form 14.01A Assignment by Licensee	211
Form 14.01B Assignment With Sale of Business	212
Form 14.01C Additional Limitation of Licensee's Assignment	212
Form 14.01D Termination for Change of Control	213
Form 14.01E Definition of Change of Control	214
Form 14.03A Intellectual Property Agreement for Bankruptcy	218
Form 14.03B Election Upon Licensor Bankruptcy	219
Form 14.03C Assignment Restrictions	220
Form 14.03D Two-Notice Termination Provision	221
Form 14.03E Single-Notice Termination Provision	221
15 Validity and Construction of Patents	225
Form 15.00A Conditional No Challenge Clause	226
Form 15.00B Procedural Ground Rules for a Validity Challenge by the Licensee	226
Form 15.00C Disclosure of Basis for Invalidity of Licensed Patent	228
Form 15.00D Effect of Judgment Dealing With Patent Validity or Scope	228
16 Representations and Warranties and Negation of Implications	231
Form 16.00A Warranty of Right to Grant License	232
Form 16.00B Licensor Warrants It Will Use Due Care to Secure Ownership of Future Inventions by Its Employees	233

Form 16.00C	Licensor Obligates Itself to Secure Ownership of Future Inventions by Its Employees	233
Form 16.00D	Qualification of Licensor's Obligation to Secure Rights to Grant Licenses on Future Inventions	234
Form 16.00E	Elimination of Patent Rights Acquired by Payment From Scope of License Grant	234
Form 16.00F	Licensee Has Option to Obtain License Under After-Acquired Patents.....	234
Form 16.00G	Patent-Related Assurances to the Buyer of a Business	235
Form 16.00H	Warranty of Actual Exclusivity	235
Form 16.01	Negation of Implications by LICENSOR.....	236
17	Indemnification and Liability Insurance	239
Form 17.00	Indemnification by Licensor	240
Form 17.01A	Indemnification by Licensee.....	241
Form 17.01B	Trademark Disclaimer	241
Form 17.02	Mutual Indemnity	242
Form 17.03A	Licensee to Obtain Insurance.....	244
Form 17.03B	Licensee to Obtain Insurance (Alternative).....	244
18	Licensing of Pending Patent Applications.....	245
Form 18.00A	Royalties Under Pending Patent Application— Alternative 1	246
Form 18.00B	Royalties Under Pending Patent Application— Alternative 2	247
Form 18.00C	Royalties Under Pending Patent Application— Alternative 3	247
Form 18.00D	Royalties Under Pending Patent Application— Alternative 4	247
Form 18.01	Filing and Prosecution of Applications	249
19	Alternate Dispute Resolution	251
Form 19.00A	Dispute Resolution Negotiations 1	252
Form 19.00B	Dispute Resolution Negotiations 2	252
Form 19.01A	Mediation Provision 1	253
Form 19.01B	Mediation Provision 2	253
Form 19.01C	Mediation Provision 3	254
Form 19.02A	Arbitration Provision 1	256
Form 19.02B	Arbitration Provision 2	256
Form 19.02C	Arbitration Provision 3	257
Form 19.02D	Adopted Arbitration Rules.....	259

Form 19.02E	Arbitration Confidentiality	262
Form 19.03	Staged ADR Provision	264
20	Common Provisions of Consequence	265
Form 20.00A	Choice of Law Provision 1	270
Form 20.00B	Choice of Law Provision 2	270
Form 20.00C	Choice of Law Provision 3	270
Form 20.00D	Choice of Law Provision 4	270
Form 20.00E	Opt Out of UCITA	271
Form 20.00F	Choice of Law and Venue Provision	271
Form 20.00G	Alternative Venue Provision 1	272
Form 20.00H	Alternative Venue Provision 2	273
Form 20.01A	Notice Provision 1	273
Form 20.01B	Notice Provision 2	273
Form 20.01C	Notice Provision 3	274
Form 20.02A	Marking Provision 1	276
Form 20.02B	Marking Provision 2	276
Form 20.02C	Marking Provision 3	276
Form 20.02D	Marking Provision 4	277
Form 20.03A	Force Majeure Clause	277
Form 20.03B	Force Majeure Clause Protection in Exclusive License	278
Form 20.03C	Force Majeure Clause Exception for Fixed Payments	278
Form 20.04	Severability Provision	279
Form 20.05	Course of Conduct Disclaimer	281
Form 20.06	Nonwaiver Provision	281
Form 20.07A	Integration Provision	285
Form 20.07B	Express Negative Covenant in Field of Use License	287
Form 20.08A	Government Approval Provision 1	287
Form 20.08B	Government Approval Provision 2	288
21	Term and Termination of the Agreement	289
Form 21.01A	Term and Termination	291
Form 21.01B	Term and Termination (Alternative)	292
Form 21.02A	Termination for Breach	294
Form 21.02B	Specifying Material Breach	294
Form 21.02C	Automatic Termination for Uncured Breach	295
Form 21.03	Termination on Change of Control	296
Form 21.04	Termination for Uncured Breach Not the Sole Remedy	296

22 Execution of Agreements: Problems of Authority and Proof	299
Form 22.00A Assent	300
Form 22.00B Quiet Enjoyment	301
Form 22.01A Execution Paragraph	304
Form 22.01B Execution Paragraph (Alternate).....	304
Form 22.01C Execution Paragraph (Alternate for Geographically Dispersed Parties)	304
Form 22.01D Execution Paragraph (Individual)	305
Form 22.01E Execution Paragraph (Partnership).....	306
Form 22.02A Signature Line	307
Form 22.02B Signature Line (Alternative)	307
Form 22.02C Notarized Acknowledgment.....	309
Form 22.02D U.S. Consular Notarization.....	310
23 Settlement of Patent Litigation	311
Form 23.00A Release for Past Infringement	312
Form 23.00B Release for Future Infringement	312
Form 23.00C Limitation on Geographic Scope of Release or License	313
Form 23.00D Release of Claims Based on Confidential Information	316
Form 23.00E Release Conditioned on Compliance With Other Terms	316
Form 23.01A Stipulation of Dismissal With Prejudice	318
Form 23.01B Dismissal of Suit Deferred	320
Form 23.02A Limitation on Publicizing Settlement	320
Form 23.02B Requirements Imposed to Ensure Compliance With Limited Publicity.....	321
Form 23.03 Accused Infringer Waives Right to Relitigate Validity and Enforceability	322
24 Confidential Disclosure Agreements	323
Form 24.00A Definition of Confidential Information 1	324
Form 24.00B Definition of Confidential Information 2	325
Form 24.00C Exclusions from Confidential Information	325
Form 24.00D Exclusions from Confidential Information (Addition)	326
Form 24.01A Scope of Disclosure	326
Form 24.01B Warranty of Disclosure	327
Form 24.01C Approval of Disclosure	327
Form 24.02A Confidentiality Obligations	328

Form 24.02B	Limit on Use	328
Form 24.04A	License Option	330
Form 24.04B	Terms of the License Option	330
25	Agreements Concerning the Sale or Other Transfer of Unpatented Technological Values	331
Form 25.03A	Outline of Technology License Terms 1	338
Form 25.03B	Outline of Technology License Terms 2	340
Form 25.03C	Outline of Technology License Terms 3	341
Form 25.03D	Definition of Technology (pharmaceutical)	343
Form 25.03E	Definition of Technology (computer)	343
Form 25.03F	Definition of Licensed Technology	344
Form 25.03H	Definition of Proprietary Information	344
Form 25.03I	Technology Transfer Delivery Terms	346
Form 25.04A	Broad Disclaimer of Licensor Liability	347
Form 25.04B	Limited Warranty by Licensor	347
Form 25.04C	Disclaimer of Liability by Licensor of Early Development Stage Technology	348
Form 25.04D	Disclaimer of Obligation to Supply Specific Information	348
Form 25.04E	UCC-Based General Disclaimer	349
Form 25.05A	Disclaimer of Restriction of Technology Licensee	350
Form 25.05B	Limitation on Licensee's Use of Proprietary Information	350
Form 25.05C	Supplier of Technical Information Periodically Notifies Licensee After Information Becomes Non-Proprietary	351
Form 25.06A	Proprietary Information Definition	352
Form 25.06B	Treatment of Licensed Know-How on Early Termination of the License	352
26	Collaboration Agreements	355
Form 26.01	Diligence and Unilateral Control	358
Form 26.02A	Milestone Payments	359
Form 26.02B	Contributions to the Collaboration	360
Form 26.02C	Expense and Revenue Balancing Provision	361
Form 26.02D	Opt-Out Terms and Consideration	362
Form 26.03A	Collaboration Intellectual Property Allocation Definitions	363
Form 26.03B	Ownership Allocation in Collaboration Agreement	365

Form 26.03C	Enforcement of Jointly Owned Collaboration Patent Rights	367
Form 26.03D	Prosecution and Maintenance of Jointly Owned Patent Rights	369
Form 26.03E	Allocating Ownership of All Inventions to Single Party	372
Form 26.03F	License Grant for Collaboration Activities	373
Form 26.03G	License for Collaboration Product After Funding Discontinuance	374
Form 26.04A	Prosecution of Collaboration Patent Rights	375
Form 26.04B	Enforcement of Collaboration Patent Rights	375
Form 26.05A	Provisions Surviving Termination	377
Form 26.05B	Accrued Rights on Termination	377
27	Foreign Patent License Agreements	379
Form 27.00A	Place of Payment, Rate of Exchange, Tax Burden	380
Form 27.00B	Place of Payment, Rate of Exchange, Tax Burden Allocated	381
Form 27.01A	Government Approval Required for Agreement to Become Effective (Alternative 1)	382
Form 27.01B	Government Approval Required for Agreement to Become Effective (Alternative 2)	383
Form 27.02A	Licensee Required to Register Agreement	384
Form 27.02B	Alternate Licensee Recording Requirement	385
Form 27.03A	Written Assurance of Foreign Licensee That It Will Not Reexport Technology and Products of the Technology If Subject to U.S. Security Regulations	388
Form 27.03B	Alternative Written Assurance of Foreign Licensee	389
Form 27.04A	Agreement Terminable Due to Government Action	390
Form 27.04B	Agreement Terminable by Licensor	390
Form 27.05	Choice of Applicable Law	391
Form 27.07A	Choice of Language	392
Form 27.07B	Alternate Language Originals	392
Form 27.08	Definition of Patents and Licensed Patents (Including Foreign Rights).....	394
28	University and Government Licensing	395
Form 28.00A	Representation Regarding Bayh-Dole Act	399
Form 28.00B	Representation Regarding Receipt of Government Funds	399

29 Selected Competition Law Issues	405
Form 29.03 Agreement Terms for Multipatent Licensing	433
Form 29.04A Label License Notice	440
Form 29.04B Agreement Terms That Authorize a Party Other Than the Patent Owner to Extend Label Licenses to Purchasers of an Unpatented Component	441
Form 29.04C Grant Clause for Licensing a Nonstaple Component	443
Form 29.05A Supplier License Limitation to Avoid Double Royalties	449
Form 29.05B Customer License Limitation to Avoid Double Royalties	450
 Appendix A Some Fundamentals of U.S. Patent Law and Practice	 453
Appendix B Assignments	459
Form B1 Simple Assignment of an Issued Patent by a Corporation	459
Form B2 Assignment of a Pending, Previously Assigned Application by an Owner Other Than the Inventor	460
Form B3 Assignment of an Invention, With Ensuing Patent Rights by the Inventor to a Corporation	460
Form B4 Agreement of Assignment by One Company to Another (With Separate Recordable Assignment)	461
Appendix C Simple License Agreement	465
Form C Simple License Agreement	465
Appendix D Nonexclusive License Agreements	467
Form D1 A More Complex Nonexclusive Cross-License Agreement With Royalties on Net Sales	467
Form D2 Nonexclusive License Agreement With Inflation Provision	476
Appendix E Defined Field Patent License Agreement	483
Form E Defined Field Patent License Agreement (Exclusive)	483
Appendix F Patent and Technical Information License Agreement	493
Form F Patent and Technical Information License Agreement (Nonexclusive)	493

Appendix G	Confidential Disclosure Agreements	503
Form G1	Confidential Disclosure Agreement for Manufacture of Products for Discloser by Disclosee	503
Form G2	Confidential Evaluation Agreement with Option Terms	505
Form G3	Confidential Disclosure Agreement (One Way Out)	510
Form G4	Confidential Disclosure Agreement (One Way In)	513
Form G5	Confidential Disclosure Agreement (Mutual)	516
Appendix H	Forms for Dealing With Outside Submissions	521
Form H1	Outside Submission Form—Where Compensation Is Not Expected	521
Form H2	Outside Submission Form—Where Compensation Is Hoped For	522
Form H3	Clauses for Use in Acceptance of a Submitted Idea	524
Appendix I	Employment Agreement	527
Form I	Employment Agreement	527
Appendix J	Simple Collaboration Agreement	533
Form J	Simple Collaboration Agreement	533
Appendix K	Antitrust Guidelines for the Licensing of Intellectual Property	543